

SUMMARY OF THE PROPOSED ACTION PLAN AMENDMENT (AMENDMENT No. 8)
FOR FY 2006 CDBG DISASTER RECOVERY FUNDS

December 8th, 2006

In accordance with Act 5 of the 1st Extraordinary Session of 2006, this Action Plan Amendment (No. 8) revises a previously approved action plan, Action Plan Amendment Number 2, which received final approval by U.S. Department of Housing and Urban Development (HUD) in September 2006. This revised plan is now being presented for public comment. The LRA and Office of Community Development (OCD) developed the proposed action plan amendment with regard to \$102 million to be added to the previously approved \$38 million program of the \$6.21 billion federal grant for Hurricanes Katrina and Rita disaster recovery and rebuilding efforts administered by HUD. According to Act 5, in addition to LRA approval, the proposed action plan amendment is subject to legislative approval. Action Plan Amendment No. 8 proposes modifications to two programs originally detailed under Action Plan Amendment No. 2, which outlined four economic development recovery programs.

This Action Plan Amendment proposes changes to the Small Firm Loan and Grant program which helps small firms with 25 employees or less recover and grow. These modifications include an increase in the amount of funding available for this program from \$38 million to \$140 million. This Action Plan Amendment proposes to re-allocate unutilized funds from the Bridge Loan Program and from the Long Term Recovery Loan Guarantee Program to fund the \$102 million increase in the Small Firm Loan and Grant Program. This modification will require a change alternate method of distribution of the grant portion in the loan and grant program. Other modifications will include a change in eligibility requirements to allow certain single-employee businesses the ability to apply for this program; changes to use of funds to include forward-looking business costs.

The Action Plan Amendment also seeks to modify the Long Term Recovery Loan Guarantee Program to allow businesses with more than 50 employees to be eligible for this recovery program in special circumstances on a case-by-case basis.

Copies of the proposed Action Plan Amendment 8 will be available for distribution and may be requested in writing or by telephone (225) 342-7412 from the OCD/DOA. This action plan amendment will also be made available today on the internet at www.LouisianaRebuilds.info

Written comments on the Proposed Action Plan Amendment No. 8 may be submitted beginning today and must be received no later than 5:00 PM (Central Standard Time) on December 12th, 2006. The Proposed Plan Amendment will be posted in Vietnamese and Spanish translations at the same website. Comments on these translations may be submitted within 5 days from the date the translations are posted online. Comments may be mailed to Office of Community Development, Post Office Box 94095, Baton Rouge, Louisiana 70804-9095 or sent via facsimile at (225) 342-1947. Comments may also be submitted online at the www.LouisianaRebuilds.info website.

Vietnamese:

Muốn biết thêm chi tiết về Kế Hoạch Hành Động, xin gọi số (225) 342-7412 hoặc viết về địa chỉ điện thư paul.catrou@la.gov.

Spanish:

Para más información sobre el plan de acción, llamar al (225) 342-7412 o email paul.catrou@la.gov.